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NEWSLETTER

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Unemployment Rate

Seasonally Adjusted
June*

ARIZONA	–	4.9%
Maricopa Co.	–	4.2
Pima Co.	–	3.2
United States	–	7.0

Consumer Price Index

U.S. – June 1991
Base = 1982-84

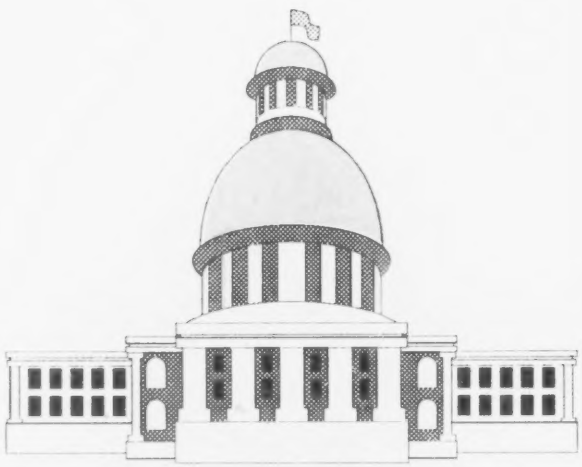
Wage Earner/Clerical Worker	–	134.1
% Chg. Year Ago	–	4.5
All Urban	–	136.0
% Chg. Year Ago	–	4.7

Phoenix – 2nd Qtr 1991
Base = 1982-84

All Urban	–	136.3
% Chg. Year Ago	–	3.4

Tucson CPI No Longer Available (see May 1991 *Arizona LMI Newsletter*)

* Preliminary



Legislative Scorecard

'91 Session Hit Home Run on Some Issues, Dropped Ball on Others, Say Labor, Business Officials

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Arizona Department of Economic Security
— Moving People Toward Self-Sufficiency

Results of Arizona Legislative Session Get Mixed Reviews

In terms of new laws affecting employment and economic development, the outcome of the 1991 Arizona legislative session was bittersweet for Arizona labor and business officials. While improvements in unemployment insurance (U.I.) benefits and spring training baseball-facility fees were approved, the scramble to complete the budget and last-minute political maneuvering led to the downfall of several significant pieces of employment and business legislation.

An employee-training bill — considered essential by economic-development officials in their ability to lure out-of-state business — and a package of pro-labor worker's compensation laws appeared headed for passage as the first regular session of the 40th Legislature wound down in late June. But at the last minute the legislation became entangled in a political tug-of-war over a proposed bill that would have offered $35 million in tax credits to investors in Arizona venture-capital companies. Result: all three pieces of legislation died — at least for this session.

Scott Eubanks, director of the Arizona Economic Council, a public-private partnership that recruits new business to the state, views the defeat of the employee-training bill "as a major setback for economic development." Eubanks, who says Arizona is one of only four states without a employee-training program for business relocation, points out that ironically the city of Globe recently lost out on a mining-service company for lack of a training program.

The economic-development training bill (H.B. 2456) would have empowered the state community college system to train and retrain persons for specific employment opportunities with new and expanding companies. The program, which would have cost about $1.5 million a year,

The fallout from the political fighting was unfortunate, because several major pieces of legislation affecting a wide range of economic and employment issues were passed and signed into law — and in many cases with the co-sponsorship of labor and management ... .

will be brought up again, Eubanks says.

The major disappointment for labor was the downfall of a series of worker's compensation proposals that were bundled together into one bill at the end of the session. The worker's compensation bills ranged from a one-time, 3½ percent cost-of-living increase for individuals already awarded permanent compensation to making an employer liable for damages resulting from a wrongful discharge of an employee in a worker's compensation claim.

Many of the worker's compensation bills were supported by business, as well as labor, and didn't die on their own merits, says Mike Shea, a spokesperson for the Arizona State AFL-CIO, which lobbies on behalf of union workers in the state. Some of the legislation, however, could be revived during a special session of the Legislature, Shea says.

The fallout from the political fighting was unfortunate, because several major pieces of legislation affecting a wide range of economic and employment issues were passed and signed into law — and in many cases with the co-sponsorship of labor and management, who traditionally have been on opposing sides of the bargaining table. "We feel the session was pretty good. Unfortunately, some (bills) fell through the cracks at the last minute," Shea says.

From a worker point of view, the highlight the of legislative session, say Shea and other labor officials, was the improvement in unemployment insurance (U.I.) benefits — a $10 increase for each of the next two years — and the ability of state workers to expand their political activities. On the business side, major highlights included legislation that allows three counties to levy fees to support spring training-facility improvements, the commissioning of a study for creation of an Arizona stock exchange, and a change in the law to allow small companies to offer "stripped-down" health insurance. The health-care legislation also had the support of labor.

The U.I. legislation (H.B. 2053) increases the maximum weekly U.I. benefit from $165 to $175, starting in July, and then to $185 in August 1992. At the beginning of the year, the state ranked 44th among all states in maximum benefit paid.

U.I. Fund Considered Sound

Despite the recent economic downturn, the state's U.I. trust fund is sound and can withstand the increase, says state U.I. Administrator Tom Vaughn, who expects that the average U.I. tax rate for Arizona employers — 1.02 percent of the first $7,000 an employee earns — will go up "a hair" next year to offset the benefit increase. As of June, the state's U.I. trust fund had a balance of $474 million, down from $499 million in June 1990. But that decline also reflects a drop this year in the state's average U.I. tax rate from 1.16 percent in 1990.

The increase in U.I. benefits "was extremely important," says Shea, who adds that many construction workers have moved to California and Nevada — and thus drained the state of skilled workers — because of low U.I. payments and their inability to pay for health care during periods of layoffs.

Also part of the bill was a provision that speeds up a worker's appeals process by allowing the Arizona U.I. Appeals Board

chairman to designate one board member to review certain cases, unless the affected party requests a review by the entire board.

The Legislature also approved a measure that makes it easier for someone to repay an overpayment of U.I. benefits when the overpayment was not that person's fault. S.B. 1409 says that an individual cannot be required to pay more than 25 percent of their weekly benefit toward the overpayment unless they haven't made a reasonable attempt to repay the money within the past year. In that case, the state U.I. Administration can recoup 50 percent of their weekly benefit one year after the overpayment has been established. Prior to the law, the entire overpayment could have been taken out of an individual's benefit check, which could have left them with no income until the overpayment was paid back.

"Little Hatch Act" Revamped

Another important piece of legislation in labor's eyes was the reforming of the state's "Little Hatch Act," which prohibited most state employees from taking part in the management or affairs of any political party or campaign. Previously, non-exempt state workers were limited in their political activity (e.g., signing of nomination or recall petitions; making contributions to candidates) as a way of ensuring they would not be pressured by superiors to support a particular candidate or to buy political favors.

The new legislation (S.B. 1325) continues to prohibit covered state workers from holding any paid, elective public office and managing a partisan or non-partisan campaign effort. But it does allow employees to: circulate candidate nomination or recall petitions; engage in activities to advocate the election or defeat of any candidate; and solicit or encourage contributions to candidates or campaign committees.

The law "allows state employees to participate (more fully) in the political process," says David Mendoza, legislative and research director for Council 97 of the American Federation of State, County, and Municipal Employees (AFSCME), whose organization pushed hard for the changes. "We worked out some of the problems with DOA (Department of Administration) and addressed their concerns," Mendoza says.

Other successful legislation deemed important by labor included S.B. 1406, which called for a one-time, 2.3 percent increase in state retirement benefits and lowered the number of points (years worked, plus age), from 82 to 80, a state worker needs to retire with full benefits.

Also, a watered-down smoking ban in state buildings (S.B. 1153) was still considered important by AFSCME because it included protections for workers who complain about smoke. The bill, which allows DOA and agencies to designate areas where smoking may be permitted, also says supervisors cannot discriminate

Table 1. Major Labor and Economic-Development Legislation Presented During 1991 Arizona Legislative Session

	Major Bills That Passed
H.B. 2053	Increases the maximum weekly unemployment insurance benefit from $165 to $175, starting in July, and then to $185 in August 1992.
S.B. 1325	Modifies laws pertaining to state-worker politics to allow covered employees more freedom to participate in election process.
H.B. 2452	Allows Arizona counties where baseball spring training occurs — Maricopa, Pima, and Yuma — to use revenue through a surcharge on car rentals and recreational vehicle spaces to improve or build new baseball facilities. In addition, Pima and Yuma counties have the option of asking voters to pass a one-tenth of 1 percent sales tax.
H.B. 2027	Allows companies with 25 or fewer employees to offer employees "stripped-down" health insurance; also increases the size of companies that can obtain low-cost health insurance through the Arizona Health Cost Containment System (AHCCCS), the state's Medicaid program.
H.B. 2451	Empowers state Corporation Commission to study feasibility of creating an Arizona stock exchange.
	Major Bills That Failed
H.B. 2456	A $1.5 million annual expenditure for an economic-development training program that would have empowered the state community college system to train and retrain persons for specific employment opportunities related to new and expanding companies.
S.B. 1012	A series of worker's compensation proposals that ranged from a one-time, 3½ percent cost-of-living increase for permanent compensation awards to making an employer liable for damages resulting from a wrongful discharge of an employee in a worker's compensation claim.
H.B. 2037	Creates an Arizona Capital Company Program that would allow up to $35 million in tax credits over a four-year period to investors in Arizona venture-capital companies.

against employees who complain about smoke.

Also, labor and business supported two bills aimed at bringing some relief to the hard-hit construction industry, which has lost one-third of its employment since 1986.

S.B. 1116 allows off-site contractors who were deemed liable for some back sales taxes to pay those taxes in installments. Because of confusion in the wording of the law, some contractors were not aware they were responsible for collecting sales taxes when they were working at off-site locations, says John Mangum, legislative counsel for the Contractors Information Council of Arizona.

HB. 2312, meanwhile, strengthens a law passed two years ago that requires political subdivisions (e.g., the state) to pay within 14 days for work that has been completed and approved. Political subdivisions must now approve or register a complaint about a project within seven days and, if approved, then make payment within the required time period. Because of the time lag between completion of work and payment, contractors often have been forced to lay off workers until funds were received, Shea says.

Probably the most significant piece of pro-business legislation was the passage of the baseball-facility fees, which allows Arizona counties where spring training occurs (Maricopa, Pima, and Yuma, for now) to use revenue through a surcharge on car rentals and recreational vehicle spaces to improve or build new baseball facilities. In addition, Pima and Yuma counties have the option of asking voters to pass a one-tenth of 1 percent sales tax.

Although no exact employment figures are available, spring training pumps at least $100 million annually into the Arizona economy, primarily from tourists coming to see their favorite team, says Joe Garagiola Jr., chairman of the Arizona Baseball Commission. In addition, major-league teams use their facilities in the state during other months of the year for instructional purposes, which translates into additional revenue, Garagiola says.

The legislation became a major issue this year when the Cleveland Indians announced they would be moving their spring training headquarters from Tucson to Homestead, Fla., in 1993, and it was feared other teams would leave if baseball facilities in Arizona could not compete with new multi-million dollar complexes in Florida. Cleveland's move will leave Arizona with only seven teams, but the recently awarded expansion franchise in Denver is expected to locate its spring training base in Arizona when it begins play in 1993, Garagiola says. And the new legislation may help in luring one or two other teams from Florida to this state, he says.

Tax on Foreign Trade Zone Reduced

Another important bill to economic-development officials, which drew significant media attention, was H.B. 2251, which dramatically reduces property taxes within an activated foreign trade zone in Arizona. The state currently has five foreign trade zones, which enable companies to manufacture products with foreign parts without being subject to U.S. customs, duties, or excise taxes.

The legislation came about when Conair, a manufacturer of electronic products, offered to build a plant in Glendale if it could receive tax breaks (see "New Developments," p. 14). But the bill nearly died when the Senate tacked on an amendment that would require businesses that receive such incentives to pay employees at that plant at least the average wage for workers in Arizona (currently about $10 an hour). Eventually the Senate agreed to drop the amendment in exchange for efforts to make sure companies stick to promises they make (e.g., number of people they will employ) to receive the incentives.

To offset the rising cost of health care, business and labor were successful in backing a bill (H.B. 2027) that allows small companies (25 or fewer employees) to offer employees "stripped-down" health insurance. Although Arizona businesses are not required to offer a health-care package to workers, previously if they did, it had to meet certain minimum standards of coverage. Now, small businesses who have not had policies in effect for 90 days can purchase bare-bones health insurance, which principally covers hospitalization for major illnesses and maternity care, plus a limited amount of preventive care (e.g., two doctors' visits a year).

"Hopefully (the law) will reduce the number of Arizonans" — an estimated 500,000 — "who don't have any health insurance and help small employers and employees keep a lid on health insurance (costs)," says Shea, whose union strongly supported the legislation.

Another provision of the law increased the size of companies — from 25 to 40 employees — that can obtain low-cost health

(Continued on page 6)

U.S. Mass-Layoff Events Rose 12.6% in '90; Manufacturing Industry Sparked Increase

Following are extractions from recent reports issued by the U.S. Department of Labor's Bureau of Labor Statistics (BLS).

For the 42 states and the District of Columbia which compiled data in both 1989 and 1990, the number of mass layoffs increased 12.6 percent over the year, the U.S. Department of Labor's Bureau of Labor Statistics (BLS) reported in early July. In Arizona, mass-layoff events jumped 35.8 percent over-the-year (91 in 1990 vs. 67 in 1988).

In the 45 states that compiled layoff data in 1990, 2,602 establishments reported 3,074 layoff actions that resulted in the separation of 586,370 workers, with 14 percent of the layoff events reflected in the closure of the establishment, BLS reported. The average number of separations per mass layoff was slightly lower in 1990 than in 1989 for the nation and Arizona, and initial claimants for unemployment insurance due to mass layoffs increased 8.1 percent for the country as a whole.

BLS data, collected as part of the Mass Layoff Statistics (MLS) program, cover layoffs of at least 31 days duration, involving 50 or more individuals who filed initial claims for unemployment insurance during a consecutive three-week period. The MLS program is a federal-state cooperation project that uses a standard-

Arizona MLS Data

	Establishments	Layoff Events	Separations
1989	53	67	16,354
1990	69	91	18,793

ized, automated approach to identifying, describing, and tracking the effect of major job cutbacks. (Note: In 1990, data on layoffs were not reported by California, Maryland, Michigan, Ohio, and Oregon. Indiana reported data for only part of the year.)

More than half the mass layoffs in 1990 were in manufacturing industries, and more than half of the manufacturing layoffs occurred in the durable-goods industries. The number of manufacturing-worker separations rose by 10 percent from 1989. Layoffs in non-durable goods continued to be heavily concentrated in food processing and apparel.

In the non-manufacturing industries, mass layoffs continued to be concentrated primarily in construction, trade, and services. Compared with 1989, however, the largest increase in layoff activity was in government, much of which stemmed from the completion of the 1990 decennial census. Mass layoffs were down over-the-year in mining; construction; and transportation and public utilities.

BLS REPORTS

"Seasonal work" and "contract completion" combined accounted for more than one-third of reasons given for layoff events and separations. These types of layoffs are generally anticipated. "Slack work" accounted for another 31 percent of the layoff events and 24 percent of all workers separated.

Thirty-nine percent of mass-layoff events involved fewer than 100 workers; 23 percent involved 100 to 149 workers; and 24 percent affected 150 to 299 workers. Only 14 percent of the layoff events involved 300 workers or more. This distribution was little changed from a year earlier. The number of separations per layoff event averaged 191 workers, ranging from 576 in government to 135 in construction. Manufacturing averaged 174 separations per layoff event.

Bargaining Contracts Rise for Ninth-Straight Quarter

Major collective bargaining settlements reached in private industry during the second quarter of 1991 provided larger wage-rate adjustments than those specified in the contracts they replaced, BLS reported in late July. This relationship now extends over nine-consecutive quarters. The Bureau's series on major settlements in private industry covers bargaining units with 1,000 workers or more.

Settlements concluded during the second quarter called for wage-rate adjustments (increases, decreases, and freezes) averaging 3.4 percent in both the first contract year and annually over the life of the contract. Under the most recent contracts, 95 percent of the workers are scheduled to receive a wage-rate increase during the contract term. Almost all the rest do not have a specified wage-rate change.

Corresponding averages in contracts that were replaced (which, for the most part, were negotiated in 1988 or 1989) were 2.7 and 2.5 percent. (Lump-sum payments and cost-of-living adjustments are not included in these measures.) During the quarter, 147 settlements, covering 649,000 workers, were concluded. Settlements in the trucking, construction, and apparel industries accounted for nearly two-thirds of the workers.

During the year ended June 30, 1991, lump-sum payments were newly negotiated in 14 contracts for 45,000 workers and dropped in 40 contracts affecting 187,000 workers. Such provisions now cover 41 percent of the 5.7 million workers under major collective-bargaining contracts in private industry. This proportion has been nearly constant since 1987, when this information was first compiled.

Twenty-two settlements for 238,000 workers discontinued cost-of-living adjustment clauses (COLAs) during the year ended June 30, 1991; no settlements added them. Trucking contracts covering 164,000 workers and railroad contracts covering 44,000 workers were among the new settlements that dropped COLAs.

Mixed Reviews Given to '91 Legislative Session

(Continued from page 4)

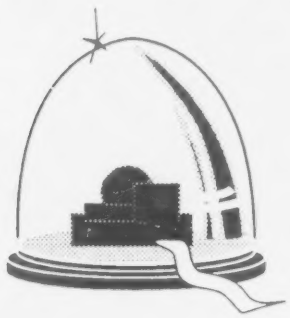
insurance with The Health Care Group™, a state program that offers coverage to small employers through the Arizona Health Cost Containment System (AHCCCS), the state's Medicaid program. But the problem with The Health Care Group, says Shea, is that it is currently only offered in three of Arizona's counties (Maricopa, Pima, and Cochise). "People outside those three counties are left high and dry," he says.

As a way to attract capital and attention to the state and Arizona companies, passage of H.B. 2451 set the stage for the creation of an Arizona stock exchange by empowering the state Corporation Commission to study its feasibility. If all goes according to plan and the Corporation Commission approves, a privately held stock exchange (as yet unnamed) could be up and running in about two years, says Sandra Forbes, assistant director for Law and Policy, for the Corporation Commission's Securities Division.

The future exchange would not only seek "high quality companies who aren't getting a lot of attention (on other exchanges)," but corporations in surrounding states and Mexico, says Forbes, who adds there has already been a lot of interest in Mexican companies due to the anticipated free-trade agreement. An Arizona stock exchange could also mean significant direct and indirect employment, Forbes says, although trading is expected to be set up to allow individuals to purchase or sell securities through their home computer.

Among some of the other laws passed pertaining to labor and business issues included:

- H.B. 2498, which authorizes a study of the development and retention of small business in Arizona, with special attention given to evaluating the needs of minority-, rural-, and woman-owned businesses; and looks at the feasibility of a state-sponsored, loan-guarantee program for small businesses.



- S.B. 1054, which creates a space commission that will seek to coordinate space-related commercial and high-tech partnerships and assist the Arizona Department of Commerce and local economic-development agencies in fostering growth in those industries.

- H.B. 2125, which appropriates $100,000 to operate a trade office in Mexico that is expected to open in October. The office will be run jointly with the state of New Mexico.

- S.B. 1351, which transfers numerous responsibilities formerly held by the state Board of Education to the state Board of Vocational and Technological Education, including helping to enforce child-labor laws; and requires district governing boards to re-evaulate vocational and technological education programs annually instead of once every five years.

- several bills affecting the regulation of occupations, including S.B. 1071, which rewrites the licensing and regulation requirements for psychologists.

- S.B. 1455, which authorizes a study of the incidence of cancer among firefighters.

Besides the economic-development training bill and worker's compensation legislation, other proposed laws affecting labor and business that received strong consideration but did not become law were:

- H.B. 2273, which would require all governments in Arizona (state, county, local) to annually evaluate and review functions that could be done by the private sector if deemed in the public interest; and would expand the role of the Private Enterprise Review Board, which was previously created to review complaints from the private sector regarding unfair competition by state agencies, universities, and community colleges.

- S.B. 1014, which would make non-union employees liable for representation expenses incurred by a labor organization that processes employment-related grievances on their behalf. Because Arizona is a right-to-work state, employees are not required to join a union, but still are eligible for union representation.

- S.B. 1020, which would clarify if a leasing or temporary-services employer is liable for reporting a worker's wages and unemployment taxes.

- H.B. 2103, which would increase regulation of denturists; passed in both houses, but vetoed by the governor.

- S.B. 1064, which would establish a minimum-wage law in Arizona that is similar to the federal law (which the state falls under), but among other items would use a lower gross sales amount ($100,000 instead of $500,000) to exempt employers from having to pay a minimum wage.

—Brent Fine,
Arizona LMI Newsletter Editor

The Arizona Labor Force in June

While the national economy showed signs of recovery in the June employment statistics, Arizona's economic engine — which has been humming right along — in June began to exhibit some slippage in its gears.

Arizona's seasonally adjusted unemployment rate climbed to 4.9 percent from 4.6 percent in May. Unadjusted, the state's jobless rate grew a full percentage point (from 4.4 percent in May to 5.4 percent in June).

The state's two major metropolitan areas, Maricopa and Pima counties, also had over-the-month jobless rate increases. The seasonally adjusted rate in the Phoenix-area jumped three-tenths of a percent to 4.2 percent while the Tucson-area's rate rose slightly to 3.2 percent from an adjusted rate of 3.1 percent in May.

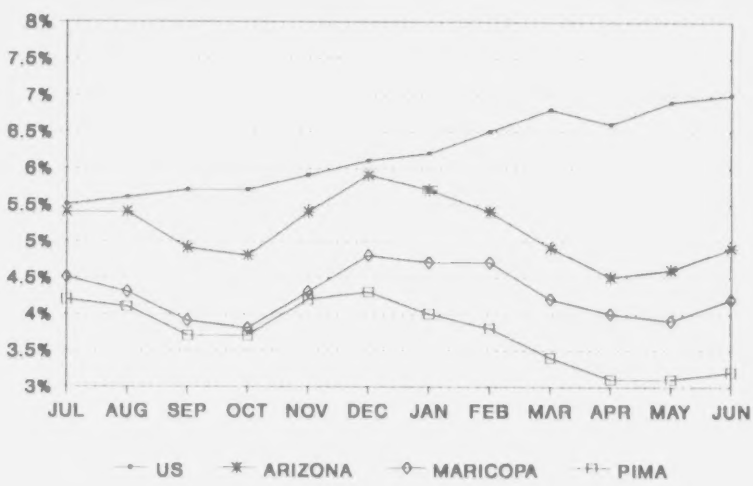
Arizona's labor force, meanwhile, grew faster than the 10-year average for June, increasing by 12,900 persons. However, all of the monthly gain was in the number of unemployed, which expanded 17,500, raising the total unemployed to 93,100. This was the largest June increase in unemployment since 1986. Total employment decreased a seasonal average 4,600.

On a somewhat positive note (at least compared to other data), total non-farm wage and salary jobs dropped a seasonally normal 25,700. Losses in government employment — due to school workers on summer hiatus — accounted for nearly all of the decrease.

Looking more closely at industry employment levels, trade showed the greatest deterioration in June with manufacturing, services, and FIRE (finance, insurance, and real estate) also having subpar performances.

Trade lost 2,500 jobs (retail trade, -2,200; and wholesale trade, -300) when a decline of 600 is average for June. Eating and drinking places took the biggest hit (-1,700)

Figure 1. U.S., Arizona, Maricopa County, and Pima County Unemployment Rates, July 1990–June 1991



Source: U.S. Department of Labor, Bureau of Labor Statistics; and Arizona Department of Economic Security, Research Administration, July 1991

with department stores contributing a drop of 400. Automotive stores showed weakness with half-normal seasonal rates of gain (0.9 percent, or 300 jobs) as did FIRE, which posted only a 200 gain when a gain of 600 is seasonally normal for the month.

Services gained 600 jobs, about half its normal seasonal amount. Lodging services posted nearly twice-normal seasonal cuts (-1,400), which suggests, in light of losses by restaurants and bars, that the tourist industry was cutting back with a vengeance in anticipation of slow summer activity.

Manufacturing Gains Below Norm

Manufacturing gained only 200 of its seasonally average increase of 900, implying few companies are offering summer employment to recessing students. The increase was, however, the first manufacturing gain in seven months.

Three manufacturing subindustries — stone, clay, and glass; food products; and machinery manufacturing — each gained 100 jobs in June. And while machinery manufacturing's increase is 100 below its average gain for the month, it was the sector's first employment rise in 11 months. Aircraft and missiles manufacturers posted losses of 200 (their seventh-consecutive monthly loss), which is consistent with ongoing reductions in national defense expenditures.

The brightest news among June's employment statistics came in the construction industry. Arizona construction companies added a near seasonally normal 1,800 jobs, enabling the industry to post its fourth-consecutive monthly gain. The state's construction sector, though, is still down 3,200 jobs from a year ago. But continued growth through the summer season can be expected, especially with respect to road construction in the northern counties.

TCPU (transportation, communications, and public utilities) began growing again after six-straight months of losses. TCPU added 700 jobs, 600 of which were in the transportation sector. Transportation's gain was half again a seasonally normal amount for June and remarkable in light of public reports of local airline difficulties.

Whether Arizona's economic glass is perceived as half full or half empty probably

(Continued on page 12)

Arizona Labor Force and Employment

June 1991 (in Thousands)

	ARIZONA			AMOUNT CHANGE		MARICOPA COUNTY			AMOUNT CHANGE		PIMA COUNTY			AMOUNT CHANGE	
	Jun.* 1991	May ** 1991	Jun. 1990	May - Jun.	1990 - 1991	Jun.* 1991	May ** 1991	Jun. 1990	May - Jun.	1990 - 1991	Jun.* 1991	May ** 1991	Jun. 1990	May - Jun.	1990 - 1991
TOTAL CIVILIAN LABOR FORCE***	1728.6	1715.7	1762.1	12.9	-33.5	1083.4	1069.8	1108.9	13.6	-25.5	315.4	318.3	314.5	-2.9	0.9
Total Unemployment	93.1	75.6	106.7	17.5	-13.6	49.5	39.9	53.3	9.6	-3.8	10.9	9.2	14.8	1.7	-3.9
Unemployment Rate	5.4%	4.4%	6.1%	—	—	4.6%	3.7%	4.8%	—	—	3.5%	2.9%	4.7%	—	—
Unemployment Rate (Sea. Adj.)**	4.9%	4.6%	5.5%	—	—	4.2%	3.9%	4.5%	—	—	3.2%	3.1%	4.5%	—	—
Total Employment	1635.5	1640.1	1655.4	-4.6	-19.9	1033.9	1029.9	1055.6	4.0	-21.7	304.5	309.1	299.7	-4.6	4.8

Note: **Above labor force statistics should not be used for economic assistance programs**

NON-AGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK

TOTAL WAGE AND SALARY	1496.9	1522.6	1468.4	-25.7	28.5	989.7	1000.8	977.0	-11.1	12.7	255.3	262.9	248.0	-7.6	7.3
Manufacturing	180.1	179.9	186.4	0.2	-6.3	133.9	133.8	139.2	0.1	-5.3	25.8	25.9	26.5	-0.1	-0.7
Durable Goods	134.3	134.3	141.0	0.0	-6.7	101.6	101.6	106.8	0.0	-5.2	20.1	20.2	20.8	-0.1	-0.7
Stone, Clay, and Glass	6.4	6.3	6.9	0.1	-0.5	3.6	3.5	4.1	0.1	-0.5					
Primary and Fabricated Metals	14.0	14.1	14.2	-0.1	-0.2	9.5	9.6	9.6	-0.1	-0.1					
Primary Metals	6.1	6.2	6.2	-0.1	-0.1										
Fabricated Metals	7.9	7.9	8.0	0.0	-0.1										
Machinery	56.8	56.7	60.3	0.1	-3.5	47.1	47.0	50.2	0.1	-3.1					
Aircraft and Missiles	25.8	26.0	27.5	-0.2	-1.7										
Lumber and Wood Products (Excluding Furniture)	6.3	6.3	6.7	0.0	-0.4										
Non-durable Goods	45.8	45.6	45.4	0.2	0.4	32.3	32.2	32.4	0.1	-0.1	5.7	5.7	5.7	0.0	0.0
Food and Kindred Products	10.4	10.3	9.9	0.1	0.5	7.2	7.2	6.9	0.0	0.3					
Printing and Publishing	17.0	17.0	17.2	0.0	-0.2	11.8	11.8	12.2	0.0	-0.4					
Mining and Quarrying	13.0	12.9	12.5	0.1	0.5	0.7	0.7	0.8	0.0	-0.1	2.3	2.3	2.2	0.0	0.1
Copper Mining	10.4	10.3	9.8	0.1	0.6										
Construction	80.5	78.7	83.7	1.8	-3.2	51.7	50.6	56.0	1.1	-4.3	15.8	15.4	15.2	0.4	0.6
Trans., Communications, & Public Utilities	82.0	81.3	81.4	0.7	0.6	58.5	58.1	58.0	0.4	0.5	9.5	9.4	9.5	0.1	0.0
Transportation	47.2	46.6	45.3	0.6	1.9	35.6	35.2	34.0	0.4	1.6	5.0	4.9	4.9	0.1	0.1
Communications and Public Utilities	34.8	34.7	36.1	0.1	-1.3	22.9	22.9	24.0	0.0	-1.1	4.5	4.5	4.6	0.0	-0.1
Trade	376.0	378.5	369.0	-2.5	7.0	254.1	255.1	246.9	-1.0	7.2	60.4	60.7	59.7	-0.3	0.7
Wholesale Trade	76.7	77.0	75.2	-0.3	1.5	61.6	61.6	60.6	0.0	1.0	7.5	7.5	7.6	0.0	-0.1
Retail Trade	299.3	301.5	293.8	-2.2	5.5	192.5	193.5	186.3	-1.0	6.2	52.9	53.2	52.1	-0.3	0.8
General Merchandise and Apparel	46.6	47.0	45.2	-0.4	1.4	28.5	28.6	27.6	-0.1	0.9	8.7	8.7	8.1	0.0	0.6
Food Stores	50.6	50.7	49.2	-0.1	1.4	32.2	32.3	30.9	-0.1	1.3	8.8	8.8	8.5	0.0	0.3
Automotive and Service Stations	34.9	34.6	34.8	0.3	0.1	21.9	21.7	21.6	0.2	0.3	5.5	5.5	5.7	0.0	-0.2
Eating and Drinking Places	108.3	110.0	106.1	-1.7	2.2	70.6	71.5	67.7	-0.9	2.9	19.5	19.7	19.2	-0.2	0.3
Finance, Insurance, and Real Estate	95.5	95.3	94.6	0.2	0.9	76.1	75.9	75.4	0.2	0.7	11.8	11.7	11.7	0.1	0.1
Services and Miscellaneous	421.2	420.6	408.3	0.6	12.9	283.8	284.3	276.7	-0.5	7.1	78.0	77.5	74.0	0.5	4.0
Hotels and Lodging Places	44.1	45.5	43.2	-1.4	0.9	26.9	28.2	25.9	-1.3	1.0	6.4	6.5	6.3	-0.1	0.1
Business Services*****	80.5	79.9	79.7	0.6	0.8	64.1	63.7	64.4	0.4	-0.3	11.6	11.4	10.9	0.2	0.7
Health Services	104.3	104.0	101.1	0.3	3.2	67.3	67.1	65.9	0.2	1.4	23.0	22.9	21.6	0.1	1.4
Government	248.6	275.4	232.5	-26.8	16.1	130.9	142.3	124.0	-11.4	6.9	51.7	60.0	49.2	-8.3	2.5
Federal	44.7	45.6	47.2	-0.9	-2.5										

* Preliminary
** Revised
*** Adjusted to the Current Population Survey to reflect place of residence
**** Normal seasonal variations have been eliminated to reflect underlying economic trends
***** Business Services underwent a series break between December 1987 and January 1988

Note: **Annual averages may not total correctly due to rounding**

Prepared by the Arizona Dept. of Economic Security, in cooperation with the U.S. Dept. of Labor, Bureau of Labor Statistics

Non-metropolitan Counties
Labor Force and Employment
June 1991

	Apache	Cochise	Coco-nino	Gila	Graham	Green-lee	La Paz
CIVILIAN LABOR FORCE*	13,975	34,400	44,375	13,250	7,800	3,525	5,550
Total Unemployment	2,000	2,300	3,125	1,075	525	225	400
Rate	14.2%	6.7%	7.0%	8.1%	6.9%	6.3%	7.4%
Rate (Seas. Adj.)**	9.7%	6.1%	5.9%	7.9%	6.3%	6.1%	8.7%
Total Employment	11,975	32,100	41,250	12,175	7,275	3,300	5,150
THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED FOR ECONOMIC ASSISTANCE PROGRAMS							
TOTAL WAGE AND SALARY	14,775	25,025	41,275	11,650	4,900	3,475	3,950
Manufacturing	550	975	3,475	1,425	225	25	275
Mining & Quarrying	25	100	75	1,325	0	1,950	75
Construction	425	950	1,650	675	150	400	300
T.C.P.U.	1,925	1,700	2,575	525	125	50	150
Trade	1,475	5,225	10,275	2,325	1,550	300	1,300
F.I.R.E.	575	650	850	300	125	25	125
Services & Misc.	5,200	5,000	11,525	2,450	900	175	900
Government	4,600	10,425	10,850	2,625	1,825	550	825

	Mohave	Navajo	Pinal	Santa Cruz	Yavapai	Yuma
CIVILIAN LABOR FORCE*	38,800	26,825	37,625	11,550	42,875	49,175
Total Unemployment	2,200	3,075	2,925	1,425	1,975	11,475
Rate	5.6%	11.5%	7.8%	12.4%	4.6%	23.3%
Rate (Seas. Adj.)**	5.5%	9.3%	7.0%	10.3%	4.7%	17.0%
Total Employment	36,600	23,750	34,700	10,125	40,900	37,700
THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED FOR ECONOMIC ASSISTANCE PROGRAMS						
TOTAL WAGE AND SALARY	27,975	21,225	29,450	10,775	29,650	27,825
Manufacturing	2,525	1,975	3,425	1,000	2,500	2,075
Mining & Quarrying	50	1,250	4,075	25	1,000	50
Construction	2,800	850	675	275	2,600	1,300
T.C.P.U.	1,375	1,575	1,075	775	1,075	1,075
Trade	7,950	4,450	5,425	4,875	7,950	8,350
F.I.R.E.	1,450	450	775	275	1,025	1,000
Services & Misc.	7,200	5,600	4,850	1,800	7,650	6,175
Government	4,625	5,075	9,150	1,750	5,850	7,800

* Adjusted to the Current Population Survey (CPS) to reflect place of residence.

** Seasonal adjustment not applicable for economic assistance programs.

T.C.P.U. = Transportation, Communications, and Public Utilities

F.I.R.E. = Finance, Insurance, and Real Estate

Prepared in conjunction with the U.S. Department of Labor, Bureau of Labor Statistics.

Estimated Hours and Earnings of Production Workers in Selected Industries Arizona

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	June* 1991	May** 1991	June 1990	June* 1991	May** 1991	June 1990	June* 1991	May** 1991	June 1990
Manufacturing	$424.36	$423.06	$412.29	40.3	40.1	40.7	$10.53	$10.55	$10.13
Aircraft & Missiles	655.85	648.60	659.86	45.2	44.7	46.6	14.51	14.51	14.16
Food & Kindred Prod.	339.29	353.07	339.50	38.6	39.1	38.8	8.79	9.03	8.75
Primary Metals	491.70	500.35	494.09	38.9	38.4	36.9	12.64	13.03	13.39
Machinery	410.00	416.47	358.13	40.0	40.2	37.5	10.25	10.36	9.55
Copper Mining	649.00	646.65	608.37	44.0	43.9	44.7	14.75	14.73	13.61
Construction	451.71	438.74	462.08	37.8	36.9	38.7	11.95	11.89	11.94
Utilities	756.32	752.12	733.67	44.7	43.4	44.9	16.92	17.33	16.34
Retail Trade**	271.08	266.15	260.95	32.7	32.3	33.2	8.29	8.24	7.86
Wholesale Trade	411.65	403.64	389.27	38.4	37.9	39.4	10.72	10.65	9.88

Estimated Hours and Earnings of Production Workers in Selected Industries Maricopa County

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	June* 1991	May** 1991	June 1990	June* 1991	May** 1991	June 1990	June* 1991	May** 1991	June 1990
Manufacturing	$447.53	$441.60	$440.15	41.4	40.7	41.8	$10.81	$10.85	$10.53
Construction	476.25	466.88	470.32	38.1	37.5	38.3	12.50	12.45	12.28
Retail Trade**	286.71	277.16	272.36	33.3	32.8	33.5	8.61	8.45	8.13
Wholesale Trade	433.19	430.16	396.90	38.2	37.9	38.2	11.34	11.35	10.39

Estimated Hours and Earnings of Production Workers in Selected Industries Pima County

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	June* 1991	May** 1991	June 1990	June* 1991	May** 1991	June 1990	June* 1991	May** 1991	June 1990
Manufacturing	$412.45	$403.17	$344.41	40.2	39.8	36.6	$10.26	$10.13	$9.41
Construction	387.96	385.18	392.09	36.6	35.5	37.2	10.60	10.85	10.54
Utilities	651.65	628.31	626.50	42.9	41.5	41.6	15.19	15.14	15.06

* Preliminary.

** Revised

*** Excludes eating and drinking places.

Note: These estimates are based on a sample of full- and part-time production and related employees whose payroll and hours are reported for the pay period which includes the 12th of the month.

Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Arizona Labor Force and Employment for Economic Assistance Programs June 1991

County	Civilian Labor Force	Employment	Unemployment	Rate
Statewide	1,728,607	1,635,468	93,139	5.4%
Apache	13,959	11,971	1,988	14.2
Cochise	34,405	32,104	2,301	6.7
Coconino	44,375	41,262	3,113	7.0
Gila	13,241	12,174	1,067	8.1
Graham	7,824	7,287	537	6.9
Greenlee	3,535	3,312	223	6.3
La Paz	5,569	5,158	411	7.4
Maricopa	1,083,393	1,033,861	49,532	4.6
Mohave	38,793	36,605	2,188	5.6
Navajo	26,816	23,740	3,076	11.5
Pima	315,419	304,532	10,887	3.5
Pinal	37,646	34,712	2,934	7.8
Santa Cruz	11,568	10,135	1,433	12.4
Yavapai	42,883	40,910	1,973	4.6
Yuma	49,180	37,704	11,476	23.3

These figures are the only official BLS labor statistics to be used for revenue sharing purposes. They are not designed to be used as economic indicators.

NOTE: Series for Yuma and La Paz counties start January 1983. Data are not comparable to any past series.

The Arizona Labor Force in June

(Continued from page 7)

depends on the industry to which one's employment is attached. Despite deterioration in employment in some industries, there is also evidence in the June data of possible improvements to come. As noted, several industries began to change direction from employment declines to gains, albeit weak gains.

Even the increasing number of unemployed can be interpreted positively. More people may now be willing to enter the labor force because they hold some hope of finding a job after many months of reported low unemployment rates.

The near-term outlook is still sanguine. Local leading indicators suggest total Arizona non-farm wage and salary jobs should begin to grow again within a few months. And the state is certain to benefit from an improving national economy.

But as the national economy improves, the Arizona unemployment rate may rise some as more people enter the state's labor force. Also, high and rising unemployment rates in California may send more job seekers into the Arizona labor force.

—Ron Simon,
RA Economic Analysis Manager

Labor Department Allocates $390 Million to Train, Employ Low-Income Seniors

Following are brief stories relating to labor issues affecting the nation and Arizona.

The U.S. Labor Department has allocated for planning year 1992 (July 1, 1991 to June 30, 1992) nearly $390 million in grants to states and terriorities to train and employ about 64,000 unemployed, low-income older workers. Authorized under the Older Americans Act, the Senior Community Service Employment Program (SCSEP) creates part-time community-service jobs for persons 55 and over who are unlikely to find work.

Positions are in areas such as day care, hospital care, home health, literacy, and forest conservation and restoration. Participants receive annual physical examinations, personal and job counseling, job training (if necessary), and in some cases placement in unsubsidized jobs. Workers receive the federal or state minimum wage, whichever is higher.

Most states solely operate their own programs, but Arizona and six other states assign responsiblity for their grants with one or more of nine national non-profit organizations and the U.S. Forest Service. Arizona primarily subcontracts with three organizations — Associacion Nacional Pro Personas Mayores, National Council on Aging, and U.S. Forest Service — to run its program, but is also extensively involved with its administration and supervision.

Last fiscal year, which ended June 30, the state funded 437 part-time (25 or less hours) positions with funding of about $2 million. And with about a $500,000 increase in funds this fiscal year, it's expected additional slots will be available.

But the impact of the funding increase will be minimized, says Maria Ramirez-Trillo, Arizona's SCSEP manager, because of an increase in the minimum wage (from $3.80 to $4.25 an hour) and the fact that some of the additional funds ($155,000) were made available because the state took over responsibility for a previously separate program for the Navajo Nation.

Ramirez-Trillo says SCSEP, which has been around for about 15 years as part of Title 5 of the Older Americans Act, is changing its focus "from income assistance to training. If (an employer) has a skilled person, then they should try to move them off (to the private sector)." Unfortunately, she says, despite some change in attitudes, employers are still reluctant to hire older workers, particularly those who are disabled.

For additional information on Arizona's program, contact the Department of Economic Security's Aging and Adult Administration at 542-4446.

ILO Seeks Action to Improve Working Conditions

Delegates at the 78th International Labour Conference (ILO) in Geneva called for tripartite action by nations to improve social and economic conditions for workers in the hotel and restaurant industry, protect workers' claims when their company becomes insolvent, and boost income and employment in Third World agriculture. About 2,000 government, employer, and worker delegates from 141 ILO member states (nations) attended the conference in late June.

The world labor group passed a convention and recommendation for hotels, restaurants, and similar establishments that calls for businesses to adopt reasonable normal hours of work, reasonable minimum daily and weekly rest periods, and compesation for work on public holidays. The convention said collective bargaining or national law should be used to decide how these practices would be implemented.

The ILO also proposed a convention for next year's conference that calls for paying workers' claims from an insolvent enterprise before claims by "non-privileged creditors" and to give a higher priority to workers' claims than most other "privileged claims," including those from the state and its social security system. ILO also recommended that institutions be created to guarantee such payments to workers.

A third major area the labor organization proposed action concerned the use of agricultrual technology to increase production and eliminate proverty in Third World countries, particularly in Africa. But the international group stressed the need to minimize the possible negative impact of these technologies on employment and workers' health, safety, and the environment. One suggestion to help developing countries included the creation of infrastructures, such as irrigation and drainage, employer and worker training policies, and dissemination of technology among small farmers.

Geographic Profile Publication Available

Geographic Profile of Employment and Unemployment, 1990, which offers data on employment and unemployment for regions, states, and selected metropolitan areas, was recently released by the U.S. Department of Labor's Bureau of Labor Statistics (BLS).

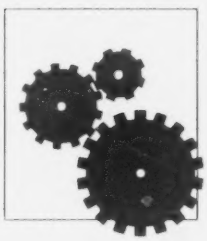
The geographic profile, which is published annually by BLS, covers subjects such as the proportion of unemployed who were job losers or job leavers, and the labor force participation rates of women. Many of the report's estimates are broken down by age, sex, race, Hispanic origin, marital status, full- and part-time status, and occupation and industry. All estimates are annual averages derived from the Current Population Survey (CPS), a sample survey of some 60,000 households conducted monthly for BLS by the U.S. Bureau of the Census.

Geographic Profile of Employment and Unemployment, 1990, BLS Bulletin 2381, is available for $11 by writing to the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402. Make checks payable to the Superintendent of Documents. Visa and Master Card are accepted.

Harris Labs Considers Phoenix for Hub; Conair Given Incentives to Build Plant

"New Developments" is featured each month as a service to our readers. This section is a compilation of public announcements and articles from newspapers and periodicals about events significant to Arizona labor markets. Due to space limitations, however, an exhaustive list of business news is not possible. In addition, the Arizona LMI Newsletter is not responsible for incorrect information reported by these sources.

MANUFACTURING — **Harris Laboratories Inc.**, a provider of research and testing for pharmaceutical, consumer, and agricultural products, is **considering Phoenix as a site for a second hub** that will eventually **employ up to 300** highly skilled workers. The Lincoln, Neb.-based company, which already employs about 75 people at three locations in Phoenix, is also looking at sites in Charlotte and Greensboro, N.C., and Orlando, Fla.



After receiving approval for tax breaks from the state Legislature, **Conair Co.**, which manufactures consumer electronic products, is expected to **build a $10 million plant in Glendale** that will **employ around 650 people**. The legislation was approved in mid-June after the state Senate dropped a requirement that Conair pay its employees the average wage for workers in Arizona (around $10 an hour).

Operation Desert Storm not withstanding, **McDonnell Douglas Helicopter Co.** says it will **lay off 350 more workers** from its Mesa plant as part of a cost-cutting effort to keep the company competitive with other helicopter manufacturers. When cuts are completed, employment at the Mesa facility — which builds the Apache attack helicopter that was used extensively in the Persian Gulf — will be around 3,900, nearly 2,000 below levels of a few years ago. McDonnell Douglas laid off about 250 workers earlier this year.

Pending approval by the Corporation Commission, **Evergreen Pulp & Paper** plans to **build a $405 million facility near Red Rock** in Pinal County that will make newsprint from recycled paper. No details on potential employment have been made available.

Fender Musical Instruments, which manufactures and markets several brands of guitars and musical equipment, is **moving its corporate headquarters from Brea, California, to Scottsdale** in September. No information about employment is available.

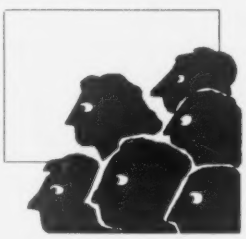
An unnamed **California computer-repair company** is expected to locate a **manufacturing plant in the Phoenix area that will create as many as 200 jobs.**. An annoucement of the move is planned for late August or in September.

NEW DEVELOPMENTS

CONSTRUCTION — The first stage of a **$128 million building program at Fort Huachuca** is under way as part of the Army's plan to make the Sierra Vista post its major headquarters for worldwide intelligence training. Initial work will include construction of housing and classroom space for about 2,500 students who will be trained annually. Contractors include Hensel-Phelps Construction of Greeley, Colo; Sundt Construction Co. of Tucson; and W.R. Henderson Construction Co. of Rexburg, Idaho.

New-home sales in the Phoenix area declined 12.3 percent during the first six months of 1991, compared to the same period in 1990. However, the publisher of *Phoenix Housing Market Letter*, R.B. Brown, expects business to pick up the second half of the year, ending with sales of about 12,000 new homes, above last year's total of 11,777. Continental Homes led all builders through June with 580 sales, followed by UDC (363), Webb/Webb Coventry (310), Pulte Homes (299), and Blandford Homes (269).

TRADE — Traffic along Interstate 10 and Route 287 in **Casa Grande** should pick up shortly when work is completed on the first phases of **two factory-outlet malls** expected to include 60 stores and 250,000 square feet of retail space. **Casa Grande Factory Stores**, anchored by bedding manufacturer WestPoint Pepperell, is expected to open its door in October. **Tanger Factory Outlet Center**, anchored by a Liz Claiborne store, will open about a month later. The two malls are expected to **employ about 500 workers** and produce annual sales taxes of $900,000 for Casa Grande.



Sprouse-Reitz is **closing six of its 32 variety stores** in Arizona, forcing the **layoff of 30 employees**. Three of the stores are in the Phoenix area, while others are located in Miami-Globe, Tucson, and Lake Havasu City. The 82-year-old chain, which has 230 stores in the West, hasn't made a profit since 1987.

Albertson's Inc. plans to build its 12th supermarket in the Valley, at Greenway Road and Tatum Boulevard. The Idaho-based chain expects the store will employ about 140 people when it opens next summer.

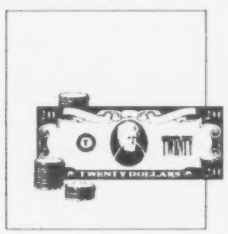
TRANSPORTATION, COMMUNICATIONS AND PUBLIC UTILITIES — Phoenix-based **America West Airlines** is expected to **lay off up to 500 customer-service representatives and 80 pilots** in early August due to its financial difficulties and subsequent cutback in service. America West, which filed for

bankruptcy protection in late June, employs about 15,000 workers nationwide; 9,000 in the Valley. Many of the layoffs could occur in Las Vegas, the airline's secondary hub.

A slump in the airline industry has hurt two Valley aircraft-maintenance companies. **DynAir Tech Inc. of Arizona**, which recently completed a 56,000-square-foot addition to its facility at Sky Harbor International Airport, **laid off 200 employees in early July** due to slack business. DynAir has seen its workforce shrink from 750 in March to about 200, but the company says it expects business to pick up early next year. Meanwhile, **Intertec Aviation** will **close down its facilities** at Phoenix-Goodyear Municipal Airport in mid-September, forcing 390 employees to look elsewhere for work. Intertec, which had only been in operation in Goodyear since 1987, says it will try to find work for about one-half of its employees at a sister facility in Dallas.

Tucson and Phoenix, meanwhile, are **among nine cities vying for an Alaska Airlines maintenance facility** that is expected to employ 500 workers when it initially opens in late 1993 and up to 2,000 by the end of the decade. The final site for the maintenance base, the third for the airline, should be selected later this year.

FINANCE, INSURANCE AND REAL ESTATE — **Security Pacific Bank Arizona is taking over Phoenix-based Southwest Savings** and its 1.4 billion in assets, thus completing the sale of Arizona's insolvent thrifts by the Resolution Trust Corp. Security Pacific paid $35 million for Southwest and its 47 branches, many of which will be shut down. However, Security Pacific says it will offer employment to all of the S&L's branch employees. Previously, Bank of America Arizona took over Western Savings, MeraBank, Sun State, and Pima Savings, while Security Pacific took over Security Savings.



Arizona appears to be a prime target for stock brokerage companies. **St. Louis-based Edward D. Jones & Co.** plans to **open 45 one-person offices in the Valley and 18 in the Tucson area** within the next several years. The full-service brokerage firm, which has more than 1,600 branches nationally in 47 states, currently has 12 locations in the state. Meanwhile, **Mason, Hunt & Co.** (formerly Cushman, Ramras, Cornelius & Crow), a Scottsdale financial-services company, plans to **open 15 to 20 new offices** in the Southwest within four years, with Yuma, Tucson, and Sun City likely areas for offices. Each site would have about six to 10 employees.

Tempe has been selected as the site of a consolidated **credit-card operation for Carter Hawley Hale Stores Inc.** of Los Angeles. The new center, which is expected to generate 600 jobs, will process accounts for customers of four department store chains owned by Carter Hawley Hale, including Phoenix-based Broadway Southwest. Meanwhile, **Citicorp of New York** is **consolidating its customer-service operations** in eight states into one location in San Antonio, which will mean the closure of a Citiphone office in north Phoenix and the **loss of about 50 jobs**. Arizona was one of several states in the hunt for Citicorp's operation, which will employ about 700 workers.

SERVICES — **HealthCare Compare/Affordable**, a health-care management company, is **opening an office in Scottsdale** in early August. A subsidiary of HealthCare Compare Corp. of Chicago, the firm will initially hire 40 people, but plans to add more positions in 1992.

Humana Desert Valley Hospital, 40th Street and Bell Road, is planning to build a three-story, **80,000-square-foot office building** on its medical campus. Construction of the $8 million facility, which will be developed by Northern Star Corp., is expected to be completed within a year.

Through acquisition and expansion of offices in the Southwest, Phoenix-based **Yellowstone Environmental Services Inc.** expects to see its **employment base increase four-fold** by the end of 1992. The environmental-engineering/consulting company, forsees its Valley workforce doubling, from 40 to about 80.

MISCELLANEOUS — The **Greater Tucson Economic Council** (GTEC) says it is **working with 123 companies considering moving to the Old Pueblo**, with 14 firms putting Tucson on its short list of sites for expansion or relocation within three to nine months. Of the 123, 85 are manufacturers and 24 are in the services sector. GTEC, which recently approved its fiscal year 1991-92 budget, also is pushing several projects aimed at helping existing businesses. These include: starting a technical excellence center that would show small businesses how to use new technology and production methods; introducing businesses to GTEC's Procurement and Purchasing Assistance Program (see *Arizona LMI Newsletter*, June 1989) that helps obtain government contracts; and expanding the border crossing in Lukeville in western Pima County.

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(602) 542-3871

Brent Fine, Editor
Linda Van Calcar, Word Processor

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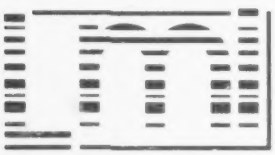

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